

**FAMILY SERVICE
OF
GREATER NEW ORLEANS**

**Financial Statements
and
Supplementary Information**

For the Years Ended June 30, 2013 and 2012

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INDEPENDENT AUDITOR'S REPORT

President and Board of Directors
Family Service of Greater New Orleans
New Orleans, Louisiana

We have audited the accompanying financial statements of Family Service of Greater New Orleans (a nonprofit organization) ("Family Service"), which comprise the Statements of Financial Position as of June 30, 2013 and 2012, and the related Statements of Activities, Functional Expenses, and Cash Flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to Family Service's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Family Service's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Family Service as of June 30, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Support, Revenues and Expenses in Accordance with United Way Requirements on page 19 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has not been subjected to the auditing procedures applied in the audit of the financial statements. Accordingly, we express no opinion on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 3, 2013, on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and in considering Family Service's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, LLC

September 3, 2013

FINANCIAL STATEMENTS

FAMILY SERVICE OF GREATER NEW ORLEANS
STATEMENTS OF FINANCIAL POSITION
June 30, 2013 and 2012

ASSETS		
	2013	2012
Cash and cash equivalents	\$ 244,403	\$ 399,429
Accounts receivable, net	165,414	162,901
Contributions receivable	315,917	345,196
Prepaid expenses	16,394	14,965
Deposits	7,903	7,903
Cash restricted for permanent endowment	3,460	3,460
Equipment and leasehold improvements, net	11,040	8,179
	<hr/>	<hr/>
Total Assets	\$ 764,531	\$ 942,033
	<hr/>	<hr/>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 7,767	\$ 17,905
Accrued salaries	5,990	6,450
Accrued vacation	56,648	39,226
	<hr/>	<hr/>
Total Liabilities	70,405	63,581
	<hr/>	<hr/>
Net Assets:		
Unrestricted net assets	255,299	278,938
Temporarily restricted net assets	435,367	596,054
Permanently restricted net assets	3,460	3,460
	<hr/>	<hr/>
Total Net Assets	694,126	878,452
	<hr/>	<hr/>
Total Liabilities and Net Assets	\$ 764,531	\$ 942,033
	<hr/>	<hr/>

See accompanying notes to financial statements.

FAMILY SERVICE OF GREATER NEW ORLEANS
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2013 Total</u>
SUPPORT, REVENUE, GAINS AND LOSSES				
Fees and grants from governmental agencies	\$ 1,239,131	\$ -	\$ -	\$ 1,239,131
United Way allocations and designations	7,776	293,417	-	301,193
Program service fees	243,244	-	-	243,244
Private grants	91,298	74,260	-	165,558
Contributions	100,211	40,000	-	140,211
Fund-raising revenue	98,505	35,000	-	133,505
Interest income	5,372	-	-	5,372
Miscellaneous revenue	13,001	-	-	13,001
Net assets released from restrictions	603,364	(603,364)	-	-
	<u>2,401,902</u>	<u>(160,687)</u>	<u>-</u>	<u>2,241,215</u>
Total Support, Revenue, Gains and Losses				
EXPENSES				
Program services:				
Counseling	1,344,379	-	-	1,344,379
At-risk children and youth	707,956	-	-	707,956
Family and individual support	21,511	-	-	21,511
	<u>2,073,846</u>	<u>-</u>	<u>-</u>	<u>2,073,846</u>
Supporting services:				
Fund-raising and development	84,013	-	-	84,013
Management and general	267,682	-	-	267,682
	<u>351,695</u>	<u>-</u>	<u>-</u>	<u>351,695</u>
Total Expenses	<u>2,425,541</u>	<u>-</u>	<u>-</u>	<u>2,425,541</u>
DECREASE IN NET ASSETS	(23,639)	(160,687)	-	(184,326)
Net assets, beginning of year	<u>278,938</u>	<u>596,054</u>	<u>3,460</u>	<u>878,452</u>
Net assets, end of year	<u>\$ 255,299</u>	<u>\$ 435,367</u>	<u>\$ 3,460</u>	<u>\$ 694,126</u>

See accompanying notes to financial statements.

FAMILY SERVICE OF GREATER NEW ORLEANS
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2012 Total</u>
SUPPORT, REVENUE, GAINS AND LOSSES				
Fees and grants from governmental agencies	\$ 1,345,541	\$ -	\$ -	\$ 1,345,541
United Way allocations and designations	10,562	345,196	-	355,758
Program service fees	270,648	-	-	270,648
Private grants	25,563	173,000	-	198,563
Contributions	42,959	90,000	-	132,959
Fund-raising revenue	31,828	35,000	-	66,828
Interest income	8,861	-	-	8,861
Miscellaneous revenue	1,213	-	-	1,213
Transfer from net assets	-	30,000	(30,000)	-
Net assets released from restrictions	793,646	(793,646)	-	-
	<u>2,530,821</u>	<u>(120,450)</u>	<u>(30,000)</u>	<u>2,380,371</u>
Total Support, Revenue, Gains and Losses				
EXPENSES				
Program services:				
Counseling	1,021,477	-	-	1,021,477
At-risk children and youth	1,187,602	-	-	1,187,602
Family and individual support	51,959	-	-	51,959
	<u>2,261,038</u>	<u>-</u>	<u>-</u>	<u>2,261,038</u>
Supporting services:				
Fund-raising and development	86,131	-	-	86,131
Management and general	297,053	-	-	297,053
	<u>383,184</u>	<u>-</u>	<u>-</u>	<u>383,184</u>
Total Expenses	<u>2,644,222</u>	<u>-</u>	<u>-</u>	<u>2,644,222</u>
DECREASE IN NET ASSETS	(113,401)	(120,450)	(30,000)	(263,851)
Net assets, beginning of year	<u>392,339</u>	<u>716,504</u>	<u>33,460</u>	<u>1,142,303</u>
Net assets, end of year	<u>\$ 278,938</u>	<u>\$ 596,054</u>	<u>\$ 3,460</u>	<u>\$ 878,452</u>

See accompanying notes to financial statements.

FAMILY SERVICE OF GREATER NEW ORLEANS
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2013

	<u>Counseling</u>	<u>At-Risk Children and Youth</u>	<u>Family and Individual Support</u>	<u>Total Program Services</u>	<u>Fundraising and Development</u>	<u>Management and General</u>	<u>Total Supporting Services</u>	<u>Total Program and Supporting Services 2013</u>
Salaries	\$ 868,626	\$ 480,968	\$ 16,521	\$ 1,366,115	\$ 8,426	\$ 207,120	\$ 215,546	\$ 1,581,661
Employee benefits	78,470	39,067	1,057	118,594	44	7,706	7,750	126,344
Payroll taxes	100,366	40,590	1,110	142,066	297	1,717	2,014	144,080
 Total Employee Compensation	 1,047,462	 560,625	 18,688	 1,626,775	 8,767	 216,543	 225,310	 1,852,085
Occupancy	137,956	67,829	1,692	207,477	1,184	16,783	17,967	225,444
Professional fees	31,193	13,607	219	45,019	64,003	17,998	82,001	127,020
Equipment and maintenance	36,708	16,974	99	53,781	976	982	1,958	55,739
Communications	23,838	19,608	243	43,689	68	277	345	44,034
Supplies	23,356	12,117	292	35,765	326	2,219	2,545	38,310
Insurance	21,058	6,637	167	27,862	-	3,516	3,516	31,378
Printing and publications	2,344	683	-	3,027	7,867	288	8,155	11,182
Dues and license fees	8,409	2,142	15	10,566	74	425	499	11,065
Miscellaneous	-	-	-	-	-	8,005	8,005	8,005
Travel	2,406	5,351	89	7,846	-	82	82	7,928
Conferences and meetings	6,924	579	1	7,504	105	63	168	7,672
Depreciation	1,415	578	-	1,993	43	208	251	2,244
Postage and shipping	775	364	6	1,145	600	185	785	1,930
Client assistance	535	862	-	1,397	-	-	-	1,397
Bad debt/interest	-	-	-	-	-	108	108	108
 Total Expenses	 <u>\$ 1,344,379</u>	 <u>\$ 707,956</u>	 <u>\$ 21,511</u>	 <u>\$ 2,073,846</u>	 <u>\$ 84,013</u>	 <u>\$ 267,682</u>	 <u>\$ 351,695</u>	 <u>\$ 2,425,541</u>

See accompanying notes to financial statements.

FAMILY SERVICE OF GREATER NEW ORLEANS
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2012

		At-Risk Children and Youth	Family and Individual Support	Total Program Services	Fundraising and Development	Management and General	Total Supporting Services	Total Program and Supporting Services 2012
Counseling								
Salaries	\$ 641,388	\$ 664,597	\$ 38,786	\$ 1,344,771	\$ 61,749	\$ 196,686	\$ 258,435	\$ 1,603,206
Employee benefits	46,694	50,648	2,763	100,105	1,423	9,368	10,791	110,896
Payroll taxes	76,670	57,875	3,039	137,584	3,548	8,379	11,927	149,511
Total Employee Compensation	764,752	773,120	44,588	1,582,460	66,720	214,433	281,153	1,863,613
Client assistance	-	224,131	-	224,131	-	-	-	224,131
Communications	18,097	25,345	659	44,101	1,114	1,336	2,450	46,551
Conferences and meetings	2,679	2,148	29	4,856	1,079	1,206	2,285	7,141
Depreciation	3,715	2,674	186	6,575	76	1,022	1,098	7,673
Dues and memberships	17,940	1,032	17	18,989	112	4,748	4,860	23,849
Equipment and maintenance	12,040	11,265	415	23,720	733	3,448	4,181	27,901
Insurance	10,776	9,427	750	20,953	657	1,193	1,850	22,803
Interest expense	-	-	-	-	-	314	314	314
Miscellaneous	80	111	-	191	-	1,448	1,448	1,639
Occupancy	117,882	74,498	1,682	194,062	6,906	17,489	24,395	218,457
Postage and shipping	517	433	28	978	176	160	336	1,314
Printing and publications	2,820	1,248	134	4,202	2,491	144	2,635	6,837
Professional fees	45,189	36,214	658	82,061	3,875	47,952	51,827	133,888
Routine staff travel	8,047	10,128	2,034	20,209	19	10	29	20,238
Supplies	16,943	15,828	779	33,550	2,173	2,150	4,323	37,873
Total Expenses	\$ 1,021,477	\$ 1,187,602	\$ 51,959	\$ 2,261,038	\$ 86,131	\$ 297,053	\$ 383,184	\$ 2,644,222

See accompanying notes to financial statements.

FAMILY SERVICE OF GREATER NEW ORLEANS
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Decrease in net assets	\$ (184,326)	\$ (263,851)
Transfer of permanently restricted investment	-	30,000
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation	2,244	7,673
(Increase) decrease in assets:		
Accounts receivable	(2,513)	249,367
Contributions receivable	29,279	161,738
Prepaid expenses and deposits	(1,429)	(4,700)
Increase (decrease) in liabilities:		
Accounts payable	(10,138)	(16,477)
Accrued salaries	(460)	(5,506)
Accrued vacation	17,422	(6,512)
	<u>(149,921)</u>	<u>151,732</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale/maturity of certificates of deposit	-	39,856
Purchase of property and equipment	(5,105)	-
	<u>(5,105)</u>	<u>39,856</u>
Net cash provided by (used for) investing activities		
	<u>(5,105)</u>	<u>39,856</u>
Net increase (decrease) in cash and cash equivalents	(155,026)	191,588
Cash and cash equivalents, beginning of year	402,889	211,301
Cash and cash equivalents, end of year	<u>\$ 247,863</u>	<u>\$ 402,889</u>
RECONCILIATION TO STATEMENTS OF FINANCIAL POSITION		
Cash and cash equivalents	\$ 244,403	\$ 399,429
Cash restricted for permanent endowment	3,460	3,460
	<u>\$ 247,863</u>	<u>\$ 402,889</u>
Total cash and cash equivalents	<u>\$ 247,863</u>	<u>\$ 402,889</u>

See accompanying notes to financial statements.

FAMILY SERVICE OF GREATER NEW ORLEANS
NOTES TO FINANCIAL STATEMENTS
June 30, 2013 and 2012

NOTE 1 - NATURE OF ACTIVITIES

Family Service of Greater New Orleans ("Family Service"), a nonprofit organization, is a United Way agency and a member agency of the Alliance for Children and Families. Its mission is to strengthen the emotional health and foster the self-sufficiency of families and individuals. Family Service obtains the majority of its funding from governmental grants, private grants, and donor contributions.

Programs and services provided by Family Service are as follows:

Counseling

Group Counseling – Family Service offers a variety of group counseling programs for individuals or couples in need of guidance.

Child Abuse – Family Service provides intensive treatment and support services for families where abuse has been validated. Child abuse cases are referred to Family Service through the Office of Community Services.

Rivarde Detention Center – Family Service clinicians provide 24-hour counseling, suicide assessment, and support services for juveniles in the Rivarde Detention Center, which is located in Harvey, Louisiana.

Family Preservation – Intensive at-home counseling services are provided to families in crisis and at-risk of having their children removed from the home.

Community Programs

Families In Need Of Services (FINS) – A court-ordered program for juveniles in trouble with the law. The program requires counseling, participation in social work services, and drug testing. Monitors follow up with schools, parents, social services, and the courts to ensure that juveniles complete the program.

Anger Management – A program designed to help middle school youth ages 11 to 17 learn how to deal more effectively with violence.

Custody Evaluation – Helps parents and courts make custody decisions for children.

Hate Crimes Project – Assists with education and prevention of Hate Crimes throughout the New Orleans area by providing a 24 hour hotline as well as counseling and therapy for victims.

Victims of Crime (VOCA) – Family Service offers individual and support groups for victims of violence.

Active Parenting – An educational support group designed to provide parents with children up to the age of 18 with parental advice.

FAMILY SERVICE OF GREATER NEW ORLEANS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2013 and 2012

NOTE 1 - NATURE OF ACTIVITIES (CONTINUED)

Child-Adolescent Response Team (CART) – A program designed to provide crisis counseling and intervention to children, youth, and their immediate family. CART assists the family in the stabilization of their crisis and provides the family with advocacy, referral, and support.

Homelessness Prevention and Rapid Re-Housing Program (UNITY) – Family Service is in an agreement with UNITY of Greater New Orleans to provide financial assistance, housing and relocation assistance, and stabilization services to eligible participants.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Income Tax Status

Family Service is exempt from income tax under Section 501(c) (3) of the U. S. Internal Revenue Code and comparable state law, and contributions to it are tax deductible within the limitations prescribed by the Code.

Family Service's tax filings for the years prior to June 30, 2010 are no longer open for audit under statutes of limitations by the Internal Revenue Service. Management believes that all tax positions would be sustained if audited. There were no penalties or interest on income taxes incurred during the tax years ended June 30, 2013 or 2012.

Basis of Accounting

The financial statements of Family Service have been prepared on the accrual basis of accounting. Accordingly, revenues are recognized when earned, and expenses are recognized when incurred.

Basis of Presentation

Financial statement presentation follows the recommendation of the Financial Accounting Standards Board in its FASB ASC Topic 958-205, *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC Topic 958-205, net assets, revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of Family Service and changes therein are classified and reported as follows:

Unrestricted Net Assets - Those net assets whose use is not restricted by donors.

Temporarily Restricted Net Assets - Those net assets whose use by Family Service has been limited by donors to later periods of time or after specified dates, or to specific purposes.

Permanently Restricted Net Assets - Those net assets that must be maintained in perpetuity due to donor-imposed restrictions that will neither expire with the passage of time nor be removed by meeting certain requirements.

FAMILY SERVICE OF GREATER NEW ORLEANS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2013 and 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For the purposes of the Statements of Cash Flows, Family Service considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Accounts Receivable and Allowance for Doubtful Accounts

It is the policy of Family Service to report receivables at net realizable value estimating the allowance for uncollectible accounts based on prior experience and current economic conditions. The allowance for doubtful accounts for accounts receivable was \$0 at June 30, 2013 and 2012. Family Service charges off uncollectible accounts receivable when management determines the receivable will not be collected. Any difference between the direct write-off method and the allowance method are considered immaterial.

Equipment and Leasehold Improvements

Equipment and leasehold improvements greater than \$1,000 are capitalized at their purchase price, or, in the case of a contributed asset, at the estimated fair market value at the date of receipt.

Depreciation is computed using the straight-line method over the following estimated lives:

Equipment	5 years
Leasehold improvements	10 years

Under certain cost reimbursement contracts with the State of Louisiana, Family Service is allowed to purchase equipment over \$1,000, subject to the provision that upon the termination of the contract this equipment may be claimed by the State. As a result, in conformity with the contract provisions, Family Service has expensed these items in the year of the purchase since the contracts terminate within one (1) to two (2) years. No equipment has been purchased under these cost reimbursement contracts during the years ended June 30, 2013 and 2012.

Compensated Absences

Vacation may be carried forward in accordance with Family Service's policy as follows:

<u>Length of Service Completed</u>	<u>Maximum Carry-Forward Hours</u>
Less than five (5) years	37.5
Five (5) years or more	75

Accordingly, Family Service has recorded \$56,648 and \$39,226 on the Statements of Financial Position for the years ended June 30, 2013 and 2012 for accrued vacation.

FAMILY SERVICE OF GREATER NEW ORLEANS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2013 and 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions

In accordance with FASB ASC Topic 958-605, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Contributions are recognized when the donor makes a promise to give to Family Service that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, Family Service reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. Family Service reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Contributed Services

Family Service recognizes contributed services at their fair value if the services have value to the organization and requires specialized skills, are provided by individuals possessing those skills, and would have been purchased if not provided by contributors. There were no contributed services requiring such skills at June 30, 2013 and 2012.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among programs and supporting services benefited.

Advertising

Advertising costs are expensed as incurred. Advertising expenses for the year ended June 30, 2013 and 2012 totaled \$16,914 and \$48,185, respectively.

FAMILY SERVICE OF GREATER NEW ORLEANS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2013 and 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

Subsequent events have been evaluated through September 3, 2013, the date the financial statements were available to be issued.

NOTE 3 - CASH AND CASH EQUIVALENTS

Family Service maintains cash on deposit with well capitalized banking institutions located in Southeast Louisiana. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 for the years ending June 30, 2013 and 2012. At times, the balance may exceed the federally insured amount.

NOTE 4 – LINE OF CREDIT

Family Service has entered into a financing agreement that matures annually with a commercial bank to borrow funds for operations. At June 30, 2013 and 2012, Family Service had a line of credit available totaling \$200,000. There were no borrowings on the line of credit at June 30, 2013 and 2012.

NOTE 5 - CONTRIBUTIONS RECEIVABLE

The contributions receivable at June 30, 2013 and 2012 are categorized by source as follows:

	2013	2012
United Way	\$ 293,417	\$ 345,196
Other Pledges Receivable	22,500	-
Total	\$ 315,917	\$ 345,196

No discount or allowance for uncollectible amounts has been recorded for these items because management considers all amounts collectible and any discount to be insignificant. As of June 30, 2013 and 2012, the amounts receivable were considered to be collectible in less than one year.

FAMILY SERVICE OF GREATER NEW ORLEANS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2013 and 2012

NOTE 6 - EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Equipment and leasehold improvements consist of the following:

	<u>2013</u>	<u>2012</u>
Equipment	\$ 367,514	\$ 362,409
Leasehold improvements	155,686	155,686
Accumulated depreciation	<u>(512,160)</u>	<u>(509,916)</u>
 Total	 <u>\$ 11,040</u>	 <u>\$ 8,179</u>

Depreciation expense for the years ended June 30, 2013 and 2012 totaled \$2,244 and \$7,673, respectively.

NOTE 7 - RETIREMENT PLAN

Family Service offers a defined contribution retirement plan for full-time employees over 21 years old having at least one (1) year of service. Contributions to the plan are at the discretion of the Board of Directors. The amounts in a participant's account are 100% vested upon the attainment of the employee's normal retirement age or, if earlier, upon meeting the applicable vesting requirements listed below.

<u>Years of Vesting Service</u>	<u>Vesting Percentage</u>
Less than 2	0
2	20
3	50
4	75
5	100

Defined contribution retirement plan expense for the years ended June 30, 2013 and 2012 totaled \$28,178 and \$31,863, respectively.

NOTE 8 - COMMITMENTS

Family Service conducted its operations at four (4) locations in the Metropolitan New Orleans Area for the year ended June 30, 2013 and 2012. There is currently one (1) office in Orleans Parish (Canal Street), one (1) office in East Jefferson, one (1) office in West Jefferson, and one (1) office in St. Bernard Parish. The locations have operating leases expiring through fiscal year 2014.

FAMILY SERVICE OF GREATER NEW ORLEANS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2013 and 2012

NOTE 8 – COMMITMENTS (CONTINUED)

Rental expense for occupancy amounted to \$220,073 and \$212,589 for the years ended June 30, 2013 and 2012, respectively. In addition, Family Service has three (3) operating leases for office equipment. The leases have various terms, monthly payment amounts, and expiration dates through 2017. Equipment lease expense was \$15,102 and \$21,127 for the years ended June 30, 2013 and 2012, respectively.

Future minimum commitments under all operating lease agreements are as follows:

2014	\$115,273
2015	5,064
2016	3,964
2017	<u>2,718</u>
	<u>\$127,019</u>

NOTE 9 - CONCENTRATIONS

Family Service received \$301,193 and \$355,758 from United Way during fiscal years 2013 and 2012, respectively. These contributions represent 13% and 15% of total support and revenue for the years ended June 30, 2013 and 2012, respectively.

At June 30, 2013 and 2012, Family Service had contributions receivable from the United Way totaling \$293,417 and \$345,196, which represents 41% and 37% of total assets, respectively.

For the year ended June 30, 2013, approximately 55% of Family Service's revenues came from fees and grants from governmental agencies, approximately 13% of revenues came from allocations from the United Way, and approximately 11% came from program service fees. For the year ended June 30, 2012, approximately 57% of Family Service's revenues came from fees and grants from governmental agencies, approximately 15% of revenues came from allocations from the United Way, and approximately 11% came from program service fees.

NOTE 10 - NET ASSETS

Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes:

	2013	2012
Counseling program activities	\$ 425,118	\$ 541,639
Fundraising and development	2,584	46,750
Clinical symposium	<u>7,665</u>	<u>7,665</u>
Total	<u>\$ 435,367</u>	<u>\$ 596,054</u>

FAMILY SERVICE OF GREATER NEW ORLEANS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2013 and 2012

NOTE 10 - NET ASSETS (CONTINUED)

Permanently Restricted Net Assets

Permanently restricted net assets are restricted to investment in perpetuity, the income from which is restricted for general activities. For the year ended June 30, 2013 and 2012, the associated assets are included on the Statement of Financial Position as cash equivalents restricted for permanent endowment in the amount of \$3,460.

During the year ended June 30, 2012, permanent restrictions on funds totaling \$30,000 were removed by the donor and the funds were transferred to temporarily restricted assets for use in Family Service's child counseling programs.

NOTE 11 – FUNDRAISING EXPENSES

Fundraising expenses consist primarily of expenses associated with Family Service's two (2) annual fundraising events. Total fundraising costs were approximately \$58,546 and \$50,554 and were approximately 30% and 43% of gross fundraising revenues for the years ended June 30, 2013 and 2012, respectively.

NOTE 12 - BOARD OF DIRECTORS COMPENSATION

The Board of Directors of Family Service services and directs the Organization on a voluntary basis. The Board does not receive compensation.

SUPPLEMENTARY INFORMATION

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

President and Board of Directors
Family Service of Greater New Orleans
New Orleans, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Family Service of Greater New Orleans (a non-profit organization) ("Family Service"), which comprise the Statement of Financial Position as of June 30, 2013, and the related Statements of Activities, and Cash Flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 3, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Family Service's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness Family Service's internal control. Accordingly, we do not express an opinion on the effectiveness of the Family Service's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Family Service's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Family Service's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Family Service's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carr, Riggs & Ingram, LLC

September 3, 2013

**FAMILY SERVICE OF GREATER NEW ORLEANS
SCHEDULE OF SUPPORT, REVENUES AND EXPENSES
IN ACCORDANCE WITH UNITED WAY REQUIREMENTS
(UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2013**

				Program Services			
	Agency Total	Supporting Services Management and General	Fund Raising	Total Program Services	Counseling	Domestic Violence	Other Programs
REVENUE:							
Board Generated Self-Support	\$ 244,215	\$ 103,872	\$ 138,989	\$ 1,354	\$ 1,354	\$ -	\$ -
Client Generated Self Support	182,170	-	-	182,170	100,194	81,976	-
Governmental Grants/Contracts	1,269,545	-	-	1,269,545	783,361	-	486,184
Other Foundations or National Grants	225,719	-	-	225,719	101,348	-	124,371
Other Revenue	18,372	18,372	-	-	-	-	-
TOTAL SELF-GENERATED REVENUE	1,940,021	122,244	138,989	1,678,788	986,257	81,976	610,555
United Way Designation	5,102	-	-	5,102	5,102	-	-
CFC Designation	2,675	-	-	2,675	2,675	-	-
TOTAL REVENUE	1,947,798	122,244	138,989	1,686,565	994,034	81,976	610,555
United Way Allocation-GNO	506,934	-	-	506,934	436,934	70,000	-
GRAND TOTAL REVENUE	\$ 2,454,732	\$ 122,244	\$ 138,989	\$ 2,193,499	\$ 1,430,968	\$ 151,976	\$ 610,555
EXPENSES:							
Salaries	\$ 1,581,661	\$ 207,120	\$ 8,426	\$ 1,366,115	\$ 801,596	\$ 78,938	\$ 485,581
Benefits	126,344	7,706	44	118,594	72,594	5,876	40,124
Taxes	144,080	1,717	297	142,066	92,290	8,076	41,700
Occupancy Expenses	225,444	16,783	1,184	206,293	126,565	11,391	68,337
Travel & Transportation	15,600	145	105	15,350	7,859	1,471	6,020
Office Supplies	38,310	2,219	326	35,765	21,387	1,969	12,409
Printing	11,182	288	7,867	3,027	2,097	247	683
Direct Assistance to Individuals	-	-	-	-	-	-	-
Other	281,860	31,496	65,721	184,643	100,364	9,966	74,313
GRAND TOTAL EXPENSES	\$ 2,424,481	\$ 267,474	\$ 83,970	\$ 2,071,853	\$ 1,224,752	\$ 117,934	\$ 729,167
NET DIFFERENCE	\$ 30,251	\$ (145,230)	\$ 55,019	\$ 121,646	\$ 206,216	\$ 34,042	\$ (118,612)
Depreciation	2,244	208	43	1,993	1,415	278	300
Net Difference After Deprec.	\$ 28,007	\$ (145,438)	\$ 54,976	\$ 119,653	\$ 204,801	\$ 33,764	\$ (118,912)
Total Direct Program Expenses				\$ 2,071,853	\$ 1,224,752	\$ 117,934	\$ 729,167
Percentage of Total Program Expenses				100%	59%	6%	35%
Distribution of M&G Expenses				\$ 351,445	\$ 207,752	\$ 20,006	\$ 123,687
Grand Total Program Expenses				\$ 2,423,298	\$ 1,432,504	\$ 137,940	\$ 852,854
Undup. People Served				5,933	5,102	256	575
Cost per Person				\$ 408	\$ 281	\$ 539	\$ 1,483